<u>Democrats Committed to Helping Americans at</u> <u>Risk of Losing Unemployment Insurance</u>

With millions of Americans struggling to find work, Democrats are urging House Republicans to work with us on an extension of emergency unemployment benefits before they expire at the end of this year. With 6.5 million fewer jobs in the economy today than when the recession began and over four people seeking employment for every open position available, it's clear our economy and millions of unemployed Americans are depending on an extension of these benefits.

Unfortunately, Republicans claim this assistance won't help the economy: "There are Republicans who don't think unemployment benefits and the payroll tax break should continue. Hultgren said he doesn't see the programs 'creating a lot of jobs'... Regarding an extension of unemployment insurance, Rep. Ted Poe of Texas said Congress 'ought to concentrate on paying people to work, not paying people not to work.'" [Politico, 11/29/11]

But letting benefits expire would mean 2.1 million unemployed workers would lose assistance by the middle of February and over 6 million workers would lose assistance by the end of 2012. Congress has never allowed an emergency unemployment program to end when the unemployment rate is higher than 7.2 percent. Doing so at the end of this year would cut off a lifeline for millions of Americans and hurt job creation:

- <u>Congressional Budget Office:</u> "Households receiving unemployment benefits tend to spend the additional benefits quickly, making this option both timely and cost-effective in spurring economic activity and employment."
- Economic Policy Institute: "The Economic Policy Institute... estimates that allowing the benefits to expire would hurt consumer demand and thereby cost the U.S. economy 528,000 jobs."
- Center for American Progress: "Allowing unemployment benefits to expire will have serious implications. Economists across the board agree that unemployment benefits are one of the most important counter-cyclical economic policies we have because those out of work spend their assistance immediately. In the past few years, according to a detailed study by Wayne Vroman for the Department of Labor, benefits for the long-term unemployed led to the creation of about 700,000 new jobs each quarter."
- <u>Center on Budget and Policy Priorities</u>: "The Census figures show, for example, that unemployment benefits including federal benefits scheduled to expire at the end of this year and state unemployment benefits that a number of states have recently chosen to pare back kept 3.2 million people above the poverty line in 2010."

Yesterday, Majority Leader Cantor <u>said</u>: "Let's try and work incrementally towards a conclusion this session that can benefit all Americans... We Republicans do care about people that are out of work." We hope he, and the rest of GOP leadership, will work with Democrats to extend these benefits and take action on the American Jobs Act and Make It In America plan – bipartisan proposals that will create jobs and grow our economy now.